

Message Text

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14

ORIGIN PM-04

INFO OCT-01 ISO-00 EUR-12 AF-06 NEA-10 EA-07 CIAE-00

DODE-00 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 SAM-01 MMO-01 OMB-01 SAJ-01 IO-10

ABF-01 /097 R

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EUR/NE - MR CROWLEY

AF/I - MR ANDEREGG

NEA/RA - MR SEMAKIS

H - MR DOBBS

OASD/ISA/FMRA - MR BARRINGER

OASD/ISA/NESA - CDR SICK

NEA/ARP-JOHN LYLE (PHONE)

----- 106546

P R 022205Z OCT 75

FM SECSTATE WASHDC

TO AMEMBASSY LONDON PRIORITY

AMEMBASSY NEW DELHI PRIORITY

AMEMBASSY PORT LOUIS PRIORITY

INFO AMEMBASSY ABU DHABI

AMEMBASSY ADDIS ABABA

AMEMBASSY BANGKOK

AMEMBASSY BEIRUT

AMEMBASSY BLANTYRE

AMEMBASSY CAIRO

AMEMBASSY CANBERRA

AMCONSUL CAPE TOWN

AMEMBASSY COLOMBO

AMEMBASSY DACCA

AMEMBASSY DAR ES SALAAM

AMEMBASSY DOHA

AMEMBASSY THE HAGUE

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AMCONSUL HONG KONG

AMEMBASSY ISLAMABAD
AMEMBASSY JAKARTA
AMEMBASSY JIDDA
AMEMBASSY KABUL
AMCONSUL KARACHI
AMEMBASSY KATHMANDU
AMEMBASSY KHARTOUM
AMEMBASSY KUALA LUMPUR
AMEMBASSY KUWAIT
AMEMBASSY LISBON
AMCONSUL LOURENCO MARQUEST
AMEMBASSY LUSAKAH
AMEMBASSY MANAMA
AMEMBASSY MANILA
AMEMBASSY MOGADISCIO
AMEMBASSY MOSCOW
AMEMBASSY MUSCAT
AMEMBASSY NAIROBI
USMISSION NATO
AMEMBASSY PARIS
USLO PEKING
AMEMBASSY PRETORIA
AMEMBASSY RANGOON
AMEMBASSY SANA
AMEMBASSY SINGAPORE
AMEMBASSY TANANARIVE
AMEMBASSY TEHRAN
AMEMBASSY TEL AVIV
AMEMBASSY TOKYO
USMISSION USUN NEW YORK
AMEMBASSY WELLINGTON
USCINCEUR
CINCLANT
CINCPAC
CINCPACFLT
CINCUSNAVEUR
COMIDEASTFOR

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BEIRUT ALSO PASS BAHGDAD, MILITARY ADDRESSEES ALSO FOR POLAD

E.O. 11652: GDS

TAGS: MARR, US, UK, XO

SUBJECT: DIEGO GARCIA DEVELOPMENTS

REFS: (A) STATE 216157 DTG 111637Z SEP 75;

(B) STATE 217903 DTG 122221Z SEP 75.

1. #USG AND HML HAVE AGREED TO DECLASSIFY BIOT FUNDING

ARRANGEMENTS. IF ASKED, POSTS MAY RESPOND AS FOLLOWS:

A. THE DETACHMENT FROM MAURITIUS AND THE SEYCHELLES OF THE ISLANDS NOW COMPRISING THE BRITISH INDIAN OCEAN TERRITORY REQUIRED COMPENSATION TO THOSE GOVERNMENTS FOR SUCH MATTERS AS LOSS OF SOVEREIGNTY, PURCHASE OF PRIVATELY OWNED PROPERTY OR LAND, AND RESETTLEMENT OF MIGRATORY WORKERS. THE USG AGREED IN 1966 TO PROVIDE HALF OF THE TOTAL COST INVOLVED IN THE ESTABLISHMENT OF THE BIOT UP TO A MAXIMUM OF 5 MILLION POUNDS STERLING (14 MILLION DOLLARS) BY WAIVING TO THAT EXTENT RESEARCH AND DEVELOPMENT SURCHARGES FOR UNITED KINGDOM PURCHASE OF THE POLARIS MISSILE SYSTEM.

THUS, THE THEN SECRETARY OF DEFENSE AGREED TO WAIVE A PORTION OF UK PAYMENTS REPRESENTING A PRO RATA RECOUPMENT OF RESEARCH AND DEVELOPMENT FUNDS PREVIOUSLY EXPENDED BY THE DEPARTMENT OF DEFENSE IN DEVELOPMENT OF THE POLARIS MISSILE SYSTEM FOR THE US NAVY. THE UK PAID ALL ACTUAL ACQUISITION COSTS INCURRED BY THE USG IN PROCURING THE POLARIS MISSILE SYSTEM ON BEHALF OF THE UK.

B. HOW HMG ALLOCATED FUNDS IN SETTING UP THE BIOT (IN POUNDS):

TRANSFER OF SOVEREIGNTY FROM MAURITIUS TO UK	3.00M
PAYMENTS TO THE CHAGOS AGALEGA CO. FOR	
TRANSFER OF FREEHOLD	1.35M
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PAYMENTS TO MAURITIUS FOR RESETTLEMENT OF	
WORKERS	.65M
BUILDING OF AIRPORT IN SEYCHELLES	6.2M
TOTAL:	11.2M

2. CONGRESSIONAL INTEREST IN RESETTLEMENT AND FUNDING ISSUES REMAINS HIGH AMONG SENATORS CULVER (IOWA), HART (COLORADO), KENNEDY (MASS), TAFT (OHIO), AND SYMINGTON (MISSOURI). THE SENATE-HOUSE CONFEREES HAVE NOT YET MET TO CONSIDER THE KENNEDY/CULVER AMENDMENT (874) TO THE STATE AUTHORIZATION BILL, WHICH CALLS FOR A FULL PRESIDENTIAL REPORT ON THE DIEGO GARCIA ISSUE. ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS SENT A LETTER TO SELECTED MEMBERS OF CONGRESS ON SEPT 22, STATING THAT IN

VIEW OF WIDE CONGRESSIONAL INTEREST IN THIS QUESTION, STATE AND DOD WERE COMPILING A DETAILED REPORT, TO BE AVAILABLE OCTOBER 10, WHICH WE BELIEVE WOULD ANSWER ALL QUESTIONS MEMBERS OF CONGRESS MAY HAVE. IF THE KENNEDY/CULVER AMENDMENT SHOULD NEVERTHELESS BE PASSED, THE OCTOBER 10 REPORT WOULD PROVIDE THE BASIS FOR THE REQUIRED PRESIDENTIAL REPORT.

3. ON SEPTEMBER 29 THE SENATE PASSED THE FY 76 MILITARY CONSTRUCTION AUTHORIZATION BILL WHICH CONTAINED 13.0 MILLION DOLLARS FOR EXPANSION OF THE FACILITIES ON DIEGO GARCIA. WE ANTICIPATE ACTIVE OPPOSITION BY SENATORS CULVER, SYMPINGTON, AND OTHERS WHEN FY 76 MILCON FUNDS FOR DIEGO REACH THE APPROPRIATIONS STAGE. IT IS ALSO LIKELY THAT SENATOR CULVER WILL ATTEMPT TO ATTACH AN AMENDMENT TO THE DEPARTMENT OF DEFENSE APPROPRIATIONS BILL (WHICH WILL REACH SENATE APPROPRIATIONS COMMITTEE TOWARDS THE END OF OCTOBER), IN ORDER TO BLOCK FY 76 FUNDING FOR DIEGO.

AT THE REQUEST OF SENATOR HART OF COLORADO THE GAO HAS BEEN ASKED TO INVESTIGATE AND REPORT TO HIM "HOW THE DISLOCATION OF THE INHABITANTS OF DIEGO GARCIA AND ITS ASSOCIATES ISLANDS WERE FINANCED AND WHETHER U.S. LAW WAS VIOLATED." GAO OFFICIALS INTERVIEWED DEPARTMENT AND DOD OFFICIALS ON SEPTEMBER 29 AND 30, AND ARE CONFIDENTIAL

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EXPECTED TO ISSUE A REPORT TO SENATOR HART BY MID-OCTOBER.

5. PRIME MINISTER RAMGOOLAM VISITED THE UK IN LATE SEPTEMBER AND RAISED THE ISSUE OF THE RESETTLEMENT OF THE ILOIS FROM DIEGO GARCIA. RAMGOOLAM BLAMED THE PRESS FOR EXAGGERATING A PROBLEM BEYOND ITS RIGHTFUL PROPORTION, BUT NEVERTHELESS, ATTEMPTED TO GET HMG TO UP THE ANTE FOR THE RESETTLEMENT FUND. FCO MINISTER OF STATE ENNALS INFORMED HIM THAT THE 1.4 MILLION DOLLARS PAYMENT TO MAURITIUS WAS CONSIDERED FULL AND FINAL PAYMENT BY THE UK. RAMGOOLAM DID NOT PRESS THE ISSUE. THE PRIME MINISTER ALSO SAW PRESIDENT FORD ON SEPT 30 DURING HIS VISIT TO THE US BUT NO REPORT ON THE CONVERSATION IS YET AVAILABLE.

6. ON OCTOBER 1 PORT LOUIS REPORTED THAT ACTING PRIME MINISTER RINGADOO INFORMED THE AMBASSADOR THAT THE GOM WILL TRY TO RESETTLE AS MANY ILOIS AS POSSIBLE ON AGALEGA ISLAND. THIS IS AN OLD SCHEME RESURRECTED, AND MAY BE AN ATTEMPT BY MAURITIUS GOVERNMENT TO EMPLOY (OR AT LEAST APPEAR TO) THE RESETTLEMENT FUNDS HELD IN

TRUST BY GOM. PORT LOUIS REPORTED ON 25 SEPTEMBER THAT
GOM WAS CAUGHT SHORT BY AGITATION IN INTERNATIONAL PRESS
AND HARSH CRITICISMS BY MOST OPPOSITION PAPERS WHICH
WERE BLAMING THE RAMGOOLAM ADMINISTRATION FOR NOT
UTILIZING THE RESETTLEMENT FUNDS.

7. PARAS 2 THROUGH 6 ARE PROVIDED TO POSTS ON AN FYI
BASIS. KISSINGER

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Message Attributes

Automatic Decaptioning: X
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Concepts: PRESS COMMENTS, DEIGO GARCIA, MILITARY BASES
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Copy: SINGLE
Draft Date: 02 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
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06 JUL 2006

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Type: TE
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